



NORTH CAROLINA GENERAL ASSEMBLY

Session 2021

Legislative Fiscal Note

Short Title: Additional North Topsail Occupancy Tax.
Bill Number: House Bill 239 (Second Edition)
Sponsor(s): Representative Shepard

SUMMARY TABLE

	FISCAL IMPACT OF H.B.239, V.2				
	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Local Impact					
Local Revenue	259,000	322,000	360,000	372,000	383,000
Less Local Expenditures	-	-	-	-	-
NET LOCAL IMPACT	259,000	322,000	360,000	372,000	383,000

FISCAL IMPACT SUMMARY

House Bill 239 would authorize the Town of North Topsail Beach to levy an additional 1% room occupancy tax. The proceeds of the additional tax would be used to help pay the required nonfederal partner match for a qualifying beach renourishment project with the U.S. Army Corps of Engineers.

Currently, Onslow County has the authority to levy a 3% room occupancy tax, to be used only to further the development of travel, tourism, and conventions in the county. The Town of North Topsail Beach has additional authority to levy a 3% room occupancy tax which must be used for beach renourishment. With the additional 1% room occupancy tax proposed in House Bill 239, the Town of North Topsail Beach would be able to levy a 7% room occupancy tax.

FISCAL ANALYSIS

For FY 2018-19, the Town of North Topsail Beach reported room occupancy tax collections of \$1,024,161. That equates to \$341,387 per 1% occupancy tax.

Using the growth in the leisure and hospitality portion of North Carolina’s Gross State Product, as estimated by Moody’s Analytics, an additional 1% room occupancy for the Town of North Topsail Beach would equate to approximately \$259,000 in additional revenue in FY 2021-22.

This estimate takes into account lower occupancy tax collections due to decreased hotel occupancy from the COVID-19 pandemic.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

TOWN OF NORTH TOPSAIL BEACH, MOODY'S ANALYTICS

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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April 8, 2021



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